

EXHIBIT 3

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

RAMEL SANDERS, ANTERO SARREAL
and SAMUEL BLANCHETT, on behalf of
themselves and all others similarly situated,

Plaintiffs,

-against-

HOUSLANGER AND ASSOCIATES, PLLC;
TODD E. HOUSLANGER; VIRGO
CAPITAL, LLC; AQUARIUS CAPITAL,
LLC; and DOE COMPANIES 1-10.

Defendants.

No. 17 Civ. 8985 (DC)

ALLOCATION PLAN

1. Pursuant to the Settlement Agreement entered into in the above-captioned case, the parties have agreed to seek the preliminary certification, pursuant to Fed. R. Civ. P. 23(b)(3), of the following settlement class: All persons against whom a Sold Judgment (defined as an LR Credit Judgment that was sold, transferred, and/or assigned to Virgo Capital, LLC or Aquarius Capital, LLC) was obtained where Houslanger and Associates, PLLC and/or Todd E. Houslanger first collected money on or after November 16, 2014.

2. The Settlement Agreement provides for a Gross Settlement Amount of \$510,000. The “Net Settlement Fund” means the Gross Settlement Amount minus any amounts awarded by the Court to compensate for attorneys’ fees and costs, settlement administration costs, notice costs, Service Awards, or other similar purposes. The Net Settlement Fund shall be paid to Class Members pursuant to this Allocation Plan. This allocation plan does not set out the additional substantial benefits that the class will receive, including, without limitation: (1) Defendants’ agreement to cooperate with efforts to vacate all LR Credit judgments; (2) Defendants’ agreement to never sell LR Credit judgments or accounts to any other collector; and (3) Defendants’ agreement to use certain practices for any future collection of these LR Credit

judgments or accounts, including obtaining proof that the consumer owes the debt and Defendants have the right to collect it.

3. The Rule 23(b)(3) class consists of 670 members. Defendants collected a total of approximately \$1,345,141 from those Class Members. Only Class Members who submit timely claim forms are entitled to claim money from the Net Settlement Fund. Once all Class Members submitting timely claim forms have been identified, the aggregate amount collected from that group will be tabulated and then divided by the amount available for distribution. Each Class Member who submits a claim form will receive a *proportional* share of the funds available. Each Class Member's proportional share will be based on the amount Defendants collected from that Class Member, based solely on Defendants' records. The allocation formula is based solely on a proportional, or pro rata, calculation for each class member. There is no distinction based on when the money was collected for the Class Member because all Class Members have at least one timely claim.